

CHAPTER 48.

[S. B. 13.]

TEACHERS' RETIREMENT FUND.

AN ACT to establish a retirement fund to be used in payment of annuities and benefits to retired teachers, principals, supervisors, supervising principals, and superintendents of the public schools in the State of Washington, and to regulate the collection, raising, management and disbursement thereof, and submitting this act to the voters of the state for ratification or rejection.

Be it enacted by the Legislature of the State of Washington:

SECTION 1. Definition: The word "teacher" or "teachers" as used herein shall include any teacher, principal, supervisor, supervising principal or superintendent who shall have taught or shall teach or be employed in the public schools of this state, or in any state educational institution owned and conducted by this state, and any city, county or state superintendent of the public schools of this state, and any deputy or assistant superintendent. Definition.

The words "member of said fund" and the words "member of the Teachers' Retirement Fund" when used in this act shall mean any person who has filed the acceptance provided for in section 15 of this act or who shall be appointed to teach after January 1st, 1914.

SEC. 2. There shall be a board of trustees, to be known as "The Board of Trustees of the Teachers' Retirement Fund." Said board shall be composed of the state superintendent of public instruction, two persons, not teachers, and not eligible to membership in said fund, and two persons, members of said fund, appointed by the governor. Said trustees shall be appointed each for a term of four years, and of those first appointed, the governor shall designate one to serve for one year, one to serve for two years, one to serve for three and one to serve for four years. A vacancy in said board shall be filled by the governor, for the unexpired term. A suitable office in the state capitol at Olympia shall be provided for said board of trustees. Board of Trustees.
Vacancies.

SEC. 3. Said board of trustees shall power:

Powers of trustees.

I. To frame and modify by-laws for its own government not inconsistent with the law of this state; to elect its president and other officers, and to prescribe and enforce rules and regulations necessary to carry into effect the provisions of this act.

Subpoena witnesses.

II. To subpoena witnesses and compel their attendance to testify before it in all matters relating to the operation of this law, and such testimony may be kept in writing at the discretion of the board, and any member of said board may administer oaths or affirmations to such witnesses.

Salary of secretary.

III. To fix the salary of the secretary of said board.

Payments.

IV. To authorize the issuance of warrants by the state auditor upon the state treasurer for the payment out of said fund of all annuities payable under the provisions of this law; the members of said board, excepting the secretary, shall serve without compensation, but the state treasurer shall, upon the warrant of the state auditor, pay their necessary expenses.

Powers corporate.

V. By the name of "The Board of Trustees of the Teachers' Retirement Fund," to sue and be sued, complain and defend, in any court of law or equity.

Make investments.

VI. To have, hold, purchase, sell, assign and transfer any of the securities in which any part of the said retirement fund may be invested, and any moneys belonging to said fund.

Officers.

SEC. 4. The officers of the board of trustees of the Teachers' Retirement Fund shall be a president, a vice-president, and a secretary. The president and vice-president shall be members of the board of trustees, shall be elected annually on the second Saturday in October at the offices of said board in Olympia, and shall hold office for one year and until their successors shall be elected and qualified: *Provided*, That their term as officers shall not extend beyond their respective terms as members of said board. The secretary shall be appointed by the board and shall serve until the board shall choose his successor, and

Terms of office.

shall give a bond in such sum as the board of trustees shall determine, which bond shall be subject to approval by the attorney general of the state. Said secretary shall not be a member of said board.

SEC. 5. The fiscal year of said fund shall begin on the first day of July and end on the thirtieth day of June. Said board shall present, annually, a report of the condition of said fund for the last preceding fiscal year, which shall include the receipts and disbursements on account of the fund, together with a list of persons receiving annuities. A copy of said report shall be sent to the governor, a copy to the state board of education, and a copy to each county superintendent. This report shall also be published in the biennial report of the state superintendent. The necessary clerical and other expenses incurred by the board of trustees and by the state treasurer in the administration of said fund shall be paid by the state treasurer out of said fund, on warrant of the state auditor, upon orders signed by the president and secretary of said board.

Fiscal year.

Annual report.

Expenses.

SEC. 6. The state treasurer shall be, *ex-officio*, treasurer of the Teachers' Retirement Fund, and his general bond to the state shall cover any liability for his acts as treasurer of said fund. He shall receive all moneys payable to said fund, and pay out the same only on warrants issued by the state auditor upon vouchers signed by the president and secretary of the board of trustees. All warrants or orders, when so signed, shall be full authority for the acquittance of said treasurer for all payments from said fund. Said treasurer shall give receipts for all moneys received by him for said fund; shall keep full and correct account of the financial transactions connected therewith, and shall make an annual report to the board of trustees, on or before the 15th day of September, of the receipts and disbursements and other financial transactions connected with said fund.

State Treasurer to hold funds.

SEC. 7. Whenever any member of the Teachers' Retirement Fund shall have taught for a period, or periods, aggregating thirty years, embracing not less than two

Requirements for benefits.

hundred forty months of service, fifteen years of which shall have been in the public schools of this state, such person shall, at his or her request be retired, and shall thereafter receive an annuity out of said fund equal to one-half the average annual salary received by such person for the five (5) years of employment as teacher next preceding date of retirement. Whenever any female member of the Teachers' Retirement Fund shall have taught a period or periods aggregating twenty-five years embracing not less than two hundred months service, fifteen years of which have been in the public schools of this state, such person shall at her request be retired and shall thereafter receive an annuity out of said fund equal to as many thirtieths of the full annuity as the years of total service, or if before the thirty years of service are over, and after ten years of service in this state, said member shall in the judgment of the board of trustees of said fund, have become incapacitated from performing the duties of teacher, such person shall upon his or her request be retired and shall thereafter receive an annuity equal to as many thirtieths of the full annuity as the years of total service: *Provided*, That no annuity shall be less than three hundred nor more than six hundred dollars. An annuity granted a teacher incapacitated before the thirty years' service is rendered shall be suspended in case the incapacity is removed. In determining the period of employment as teacher, the board of trustees shall accept all service rendered by a member of the fund, either prior to or subsequent to the passage of this act. No teacher shall be a beneficiary under the provisions of this act who is or continues to be a beneficiary in any other teachers' pension or retirement fund whatever.

Females may retire at twenty-five.

Any teacher may retire and receive proportionate annuity.

Minimum annuity.

Suspension

Limitation of participation in fund.

Beneficiary must pay to fund.

Application for annuity.

SEC. 8. To be eligible to an annuity an applicant must have paid into the fund, at the time he or she shall apply for retirement an amount equal to the first year's annuity.

SEC. 9. Application for retirement with annuity shall be filed with the board of trustees while the applicant is in actual service as a teacher, or within two years after ap-

plicant shall have discontinued such service, except in the case of those who are not in the actual service as teachers at the time of the passage of this measure but who otherwise are eligible to annuity. The decision of the board of trustees shall determine the right of the applicant to become an annuitant. But it shall be the duty of such board to grant the annuity to any applicant upon the production of adequate proof of said applicant's right to an annuity under this act.

SEC. 10. The payment of any annuity shall be suspended whenever the annuitant has resumed teaching, but such payment may be renewed whenever evidence shall be presented to the board of trustees that such annuitant has again discontinued teaching. Any member of said fund who shall discontinue teaching in the State of Washington for any cause other than by reason of having become incapacitated as aforesaid, shall cease to be a member of said fund. But upon resuming teaching in the State of Washington the deductions thereafter made from his contractual monthly salary shall be based on his length of service in teaching at the time he resumes teaching. The amount theretofore paid on account to the Teachers' Retirement Fund shall be credited to his account with said fund.

Suspension
of annuities.

Membership
ceases, when.

Re-instate-
ment.

SEC. 11. All annuities shall be paid in semi-annual installments on the last day of December and June and each annuity granted shall date from the first day of the next month following the date of its granting, if the application be passed on favorably by the board: *And, provided,* Said date is not prior to date when applicant ceased teaching; if prior, then annuity to date from the first day of the month following the time when applicant ceased teaching. In calculating annuities the cents shall not be taken into account. In the event that any member of this fund resigns from his or her position as a teacher after three years of service in the state and thereby terminates membership in the fund, then and in that case such member shall be entitled to be paid out of this fund such sum as will equal one-half of all moneys paid into the fund by such teacher: *Provided, fur-*

Annuities,
when paid.

Withdrawal
payments.

ther, That in the event that such teacher subsequently resumes teaching, such teacher shall be required to refund to the said retirement fund the amount so withdrawn with interest thereon at the rate of five per cent per annum, such sum to be so refunded within one year from the date of his or her return to service in the public schools of this state or forfeit right to membership. In the event of the death of any member of this fund before such member has been retired upon an annuity, or after retirement and before the annuities received equal the amount paid by annuitant, then and in that case the beneficiary designated by the member in writing to the board, or in case no beneficiary is designated by the member, the heirs or legatees of such deceased teacher shall be entitled to a sum out of this fund equal to the entire amount paid into the fund by such deceased teacher, without interest, or a sum equal to the difference between the annuity received before death and the amount paid by annuitant. In case there shall not be at any time sufficient funds to pay annuities in full, annuities shall reduce *pro rata*.

SEC. 12. The retirement fund herein provided for shall be made up as follows :

I. One per centum of the contractual monthly salaries of all members of the fund for the first ten years of teaching service. Two per centum of the contractual monthly salaries of all members of the fund for the second ten years of teaching service. Two and one-half per centum of the contractual monthly salaries of all members of the fund for the third ten years of teaching service. No deduction made under the provisions of the article from the salary of any teacher shall exceed fifty dollars in any [one] year. The total amount deducted from the salary of any member shall not exceed the sum of one thousand dollars.

The amount due the Teachers' Retirement Fund shall be reserved or dededucted from each warrant or order for salary given to each member of the fund by the board of directors or other board or officer as shall be required by law to give such warrants or orders, and the said board or

Upon re-
instatement
teacher must
repay with-
drawals.

Resources
of retire-
ment fund.

Deductions
from salaries
not to exceed
\$50.00 per
year, nor
total more
than \$1,000.

School di-
rectors to
withhold
teachers
payments.

officer shall, between the first and twentieth days of June and December, draw a warrant for the amounts so reserved and deducted in favor of the custodian of the school moneys of the district or school in which such member shall be employed, and the said custodian shall, immediately upon receipt of any such warrant or order, forward to the secretary of the board of trustees of the Teachers' Retirement Fund the amount of money named therein, together with a list of the names, the monthly salaries, the amounts deducted, and the percentage rates, respectively, of the persons from whose salaries the deduction represented thereby have been made. All moneys received by the secretary of the fund shall be transmitted to the state treasurer daily.

Remittance
by board.

II. All moneys and property received by donation, gift, legacy, bequest, devise, or otherwise, for or on account of said fund.

Donations
or gifts
to fund.

III. All interest or investments, and other moneys which may be raised for the increase of said fund.

Interest.

IV. The state board of equalization shall levy annually for the Teachers' Retirement Fund a sum equal to twenty cents for each child of school age in the state, as shown by the records in the office of the superintendent of public instruction: *Provided*, That said levy, together with the levy for the current school fund as provided in section 4600 of Remington and Ballinger's Annotated Codes and Statutes of Washington, shall not exceed five mills on the dollar. The state treasurer shall upon order of the superintendent of public instruction pay into said Retirement Fund the amount collected by virtue of the above levy.

Tax levy
by state.

SEC. 13. It shall be duty of the board of trustees of the Teachers' Retirement Fund to invest such portion of said fund as the board shall from time to time deem possible without impairing its ability to pay all annuities, benefits and refunds due or likely to become due to members of the fund. Such investment may be made only in the following securities: Bonds of the United States government, State of Washington, or any county, school dis-

Investment
of fund.

trict or any municipal corporation in the State of Washington, the legality of any such county, school district, or municipal corporation bonds shall be first approved by the attorney general. After the investment of any portion of said fund, the income from the portion invested and all concurrent receipts shall first be exhausted in the payment of annuities before any part of the invested principal shall be applicable, the purpose of this provision being to establish a surplus fund, as permanent as possible, to give security and stability to the enterprise.

Time to join.

SEC. 14. Any teacher as defined in section 1 shall be eligible to membership in this fund. Any person entitled to membership in the fund on or before March 1, 1915, must join on or before March 1, 1915, or not at all. Every teacher who shall be appointed for the first time to any position in this state on or after the first day of March, 1915, shall become a member of the fund by virtue of such appointment.

Application to join.

SEC. 15. Any person entitled to membership in said fund may join said fund on or before the first day of March, one thousand nine hundred and fifteen, by signing and delivering to the board of directors, board of trustees, or other board or officer by whom he or she shall be employed, or to the superintendent of public instruction, a notice substantially in the following form:

To the Board of Trustees of the Teachers' Retirement Fund:

You are hereby notified that I accept the provisions of the "Teachers' Retirement Fund Law," and that I do hereby agree to be bound thereby.

Dated..... Signed.....

Filing of application.

SEC. 16. A copy of said notice shall be filed with the board of directors or other board or officers by whom he or she shall be employed, or with the state superintendent of public instruction. Along with notification of acceptance a teacher must furnish an affidavit of length of service to date of acceptance.

SEC. 17. Any member of said fund who shall cease to teach or be employed in the school or position in which he or she shall have been employed, and who shall be employed in any other school or position, shall immediately give written notice to the board of directors or other board or officer having control of the school or position in which he or she shall be employed, that he or she is a member of the Teachers' Retirement Fund, said notice shall direct that the prescribed per centum of his or her contractual monthly salary be deducted monthly and forwarded semi-annually to the secretary of the board of trustees of the Teachers' Retirement Fund as hereinbefore provided. Such member shall send a copy of said notice, with his or her address, to the secretary of the board of trustees of the Teachers' Retirement Fund, and another copy of said notice to the superintendent of public instruction.

Notice to directors employing teacher.

SEC. 18. It shall be the duty of all boards of directors or boards of trustees, or other officers charged with the appointment or engagement of persons entitled to membership in the Teachers' Retirement Fund, to learn if a person so appointed or engaged is a member of said fund, and if such be the case to deduct the percentage of such salary due to said fund from his or her contractual monthly salary and remit to the secretary of the board of trustees of the Teachers' Retirement Fund as is hereinbefore provided.

Inquiry as to membership.

SEC. 19. This act shall not take effect, nor be in force until and unless the same shall be approved by the qualified electors of the state, at the next general election to be held on the first Tuesday after the first Monday of November, 1914, in accordance with that provision in section 1, of article 2, of the said constitution, as amended at the last general election, known as the referendum. The secretary of state shall cause this act to be published in a general manner authorized by law for the publication of the initiative or referendum measures, provided that if no such general law shall be in force then this act shall be published in the same manner that proposed amendments

Referendum.

(For constitution provision see Ch. 42, p. 136, L. '11; for provision making referendum effective, see Ch. 138 *infra*.)

to the constitution are published. There shall be printed upon the official ballot of said election the words "For teachers' retirement fund" . . . , "Against teachers' retirement fund" . . . , together with the usual provisions made for indicating the voter's choice. The votes cast thereon, unless otherwise provided by general law, shall be counted and returns thereof made to the secretary of state as other votes are counted and returned, who, after canvassing the same, shall certify the result thereof to the governor, who, if such act shall have been approved as provided in said section of the constitution, shall issue a proclamation to that effect.

Passed the Senate February 11, 1913.

Passed the House March 3, 1913.

Filed March 11, 1913. Subject to the referendum.

I. M. HOWELL, *Secretary of State*.

CHAPTER 49.

[S. B. 151.]

RELATING TO THE EXPENSE OF SURETY BONDS.

AN ACT relating to the payments by the state, counties, cities and towns of premiums or charges for surety bonds given by elective or appointive officers thereof, and amending section 194 of chapter 49, Session Laws of 1911, and validating certain payments heretofore made.

Be it enacted by the Legislature of the State of Washington:

SECTION 1. That section 194 of chapter 49 of the Session Laws of 1911 be and the same is hereby amended to read as follows:

Section 194. Any receiver, assignee, trustee, guardian, executor, administrator, committee, or other fiduciary, required by law to give bonds as such, may include as a part of his lawful expenses, such reasonable sum paid to such a corporation for such suretyship not exceeding one per cent per annum on the amount of said bond, as the head of the department, court, judge or officer by whom, or the court or body by which he was appointed, allows, and in

[Amending
§ 194, ch. 49,
L. 1911;
Pierce's
Code, 1912,
255 § 389.
See also
Rem.-Bal.,
§ 6226;
Pierce's
Code, 1912,
53 § 33.]

Cost of
official bond
to be
charged as
expense of
office.